

REMARKS/ARGUMENTS

Claims 1-9, 11-66 are pending in this application. Claims 33-34 are amended to correct informalities and claims 41-66 are added. Support for the subject matter in claims 41-66 is found in the specification, for example, beginning at the first paragraph on page 9. No new matter is added. Applicant respectfully requests reconsideration of the application in view of the above amendments and following remarks.

Matters of Form

The Office Action rejects claims 33 under 35 U.S.C §112, second paragraph. Applicant has amended claim 33 to obviate this rejection. Additionally, Applicant has amended claim 34 to correct an informality.

Patentable Subject Matter

The Office Action rejects claims 1, 3-9, 11-26, 28, 31, 37 and 38 under 35 U.S.C. §102(e) over Talati, et al. (U.S. Patent No. 5,903,878). This rejection is respectfully traversed.

As discussed below, Talati does not disclose or suggest at least the feature of “transmitting a query for said authorization number over said network from said third party contractor location to said consumer location”, as recited in Applicant’s independent claim 1 and as similarly recited in Applicant’s independent claims 9, 17, 22, 33-38 and in added claims 51-66.

Additionally, Talati does not disclose or suggest at least the feature of initiating a communication connection of said network between the consumer location and the third party

contractor location, wherein the initiating is performed from the on-line merchant location as recited in added dependent claim 41, and generally corresponding features recited in dependent claims 42-50 and in dependent claims 52, 54, 56, 58, 60, 62, 64, and 66.

Talati is directed to a method for seeking approval from a customer of a merchant-requested purchase order, by first sending a request for authentication of the customer to a transaction administrator or credit authority. Upon authentication of the customer (based on an originator ID - OID), the transaction administrator or credit authority then sends a unique transaction ID (UTID), the credit card number, specific information regarding the purchase request to the customer, for the customer's approval. Upon the customer's comparison of the specifics of the original transaction (by the customer) with the specifics of the requested transaction (from the merchant), the customer approves or disapproves the merchant-requested transaction. Based on the customer's response, the transaction administrator or credit authority then grants/rejects the merchant-requested transaction. Therefore, Talati is directed to a merchant-request validation scheme, to avoid fraud perpetrated by the merchant.

Talati's approach is detailed in col. 4, ln 53 - col. 5, ln 5, for example. An originator 50 (e.g., customer or client) initiates a transaction comprising a purchase, payment or request for information document from the recipient 55 (e.g., merchant). The transaction request from the merchant to the transaction administrator 60 includes a unique transaction (UTID) associated with the specific transaction request and an originator identity (OID) to identify the originator 50 (customer) is then sent to the transaction administrator 60. The recipient 55 (merchant) generates a request for authentication of the originator 50 (customer) using the OID, UTID to the

transaction administrator. The transaction administrator 60 first validates the identity of the recipient 55 OID.

If the OID is valid, the transaction administrator 60 determines the originator associated with the OID, transmits the transaction request and associated data to the originator 50 (customer) and requests that the originator 50 (customer) validate the transaction request containing the UTID. The originator 50 (customer) validates the transaction by comparing the UTID with a list 100 generated by the originator (customer) using the UTID associated with each transaction generated by the originator (customer) and notifying the transaction administrator 60 of the results. (Emphasis added). See col. 5, lns 7-18, for example. Thus, Talati's process of validation is for the "first party" to compare his original request with the third-party forwarded request, and notify the third party as to whether the transaction should be permitted or not.

The above procedure for processing a credit card transaction between a client 50, merchant 55 and credit authority (CA) 60 is described in col. 5, ln 50- col. 6, ln 43, and FIGS. 5-6, for example. As stated in col. 6, beginning at line 44, "communication between the client 50 and the CA 60 guarantees that an unauthorized purchase order is not issued by an unauthorized client or merchant 55 and that a merchant does not change the amount on the purchase order issued by the client... and the verification and validation of the purchase order by the client reduces fraudulent transactions.... The UTID ties together all three delivery systems."

Similarly, for the embodiments described in FIGS. 9-10 of Talati, the client 50 compares information on the transaction with the original payment transactions and associated UTIDs. The client 50 then notifies the client bank 250 in the banking system 60 with the verdict of the validity of the transaction. See col. 7, lns 47-54, for example.

Talati discloses a similar scheme using an email delivery system. See FIGS. 10-16. The email system also requires the originator to send a positive or negative validation of the transaction to the TA 60. See col. 12, lns 1-8, for example.

Since all of Talati's embodiments require the customer to only respond with an approval or disapproval of the transaction, one of ordinary skill would know that this approval or disapproval does not contain any "protectable" information, such as an account number or authorization number or password, etc.

Therefore, Applicant respectfully submits that Talati does not disclose or suggest at least the feature of transmitting a query for said authorization number over said network from said third party contractor location to said consumer location, as recited in Applicant's independent claim 1 and as similarly recited in Applicant's independent claims 9, 17, 22 and 33-38; or initiating a communication connection of said network between the consumer location and the third party contractor location, wherein the initiating is performed from the on-line merchant location as recited in added independent claim 41 and similarly recited in added independent claims 42-50. Thus, Talati does not disclose or render obvious all the features of Applicant's independent claims 1, 9, 17, 22 and 33-38, as well as all the features of Applicant's added claims 41-50.

Claims 3-8 and 28 depend from claim 1; claims 11-16 depend from claim 9; claims 18-21 depend from claim 17; and claims 23-26 depend from claim 22. Therefore, for at least the above reasons, Applicant respectfully requests the withdrawal of this rejection.

The Office Action rejects claims 27, 29, 30 and 32 under 35 U.S.C. § 103(a) over Talati and in view of Blonder, et al. (U.S. Patent No. 5,708,422). This rejection is respectfully traversed.

Blonder is directed to a transaction authorization and alert system using a validation database 106 containing the customer's mobile communication address 135 (phone, mail, email, facsimile). Upon a requested transaction, the request is forwarded to a validation authority which compares the submitted request profile to the validation information database and forwards an alert or authorization request, with the requested transaction information, to the principal or card owner via the mobile communication address contained in the database. Upon receipt of the alert/authorization request by the owner, the transaction authorization and alert system awaits the owner's approval/disapproval. See FIG. 7 and col. 9, ln 34 – col. 10, ln 7. The owner's approval/disapproval is indicated either orally (if by telephone) or by entering a pre-defined code (if by pager/cellphone). See col. 9, lns 18-31, for example.

Blonder describes an authorization code, however, the authorization code is generated by the transaction system, and not by the owner. The authorization code is used by the transaction system to notify the retailer of the approval/disapproval status of the transaction. See col. 13, lns 23-36, for example.

Blonder also describes a “pre-approved” confirmation code for the customer during a transaction. This confirmation code is randomly generated prior to initiation of a transaction and is a priori forwarded to the customer. Upon initiation of the actual transaction, at a merchant's place of business, the customer provides the confirmation code to the merchant who then forwards it to the transaction processing center. See col. 14, lns 1-60, for example.

In the event an ATM card is used in a commercial transaction, the merchant enters a special code into a card reader 101 to initiate the alerting and approval process. Thereafter, the card reader 101 retrieves a debit card number, for example, from the magnetic stripe on the back of the debit card before prompting the card holder for a secret code (e.g. PIN). It is noted that all of these steps disclosed by Blonder are known to be the prior art approach, as discussed in Applicant's specification.

After receiving the PIN, Blonder's card reader 101 then transmits a validation request message to validation database 101 as illustrated in FIG. 2. See col. 4, lns 62- col. 5, ln 3, for example. The request message includes the card number 201, a requested credit amount 202, a merchant code 203, and a validation request 204. When card number 201 is a debit card number, it also includes the PIN entered by the card holder. See col. 5, lns 5-9, for example. Accordingly, Blonder's use of the ATM card requires that the merchant (second party) retrieve the PIN entered by the card holder.

There is no disclosure or discussion in Blonder regarding the transmitting of a query for said authorization number over said network from said third party contractor location to said consumer location; or initiating a communication connection of said network between the consumer location and the third party contractor location, wherein the initiating is performed from the on-line merchant location.

In fact, from the disclosure provided in Blonder, it is evident that other than being able to use a database detailing prohibited transactions and owner contact information, Blonder is similar to Talati in that a simple approval/disapproval is requested by the transaction authority. Therefore, Blonder does not disclose or suggest the subject matter lacking in Talati, as discussed

above. Accordingly, Talati and Blonder, individually or in combination, do not disclose or suggest all the subject matter recited in the Applicant's independent claims 1, 17, and 22.

Claims 27 and 29 depend from claim 1; claim 30 depends from claim 17 and claim 32 depends from claim 22. Accordingly, for at least the reasons discussed above, Applicant respectfully requests the withdrawal of this rejection.

Added claims 41-66 recite subject matter that is not described or suggested in Talati or Blonder. Therefore, for at least the same reasons discussed above, Applicant respectfully submits that claims 41-66 are allowable over Talati and Blonder.

CONCLUSION

In view of the foregoing remarks, Applicant believes this application is in condition for allowance. If, for any reason, the Examiner disagrees, the Examiner is invited to call the undersigned attorney at 202-861-1556 in an effort to resolve any matter still outstanding before issuing another action.

In the event this paper is not timely filed, Applicant petitions for an appropriate extension of time. Please charge any fee deficiencies or credit any overpayments to Deposit Account No. 50-2036.

Respectfully submitted,

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